

1997-98 SESSION
COMMITTEE HEARING
RECORDS

Committee Name:

Joint Committee on
Finance
(JC-Fi)

Sample:

- Record of Comm. Proceedings
- 97hrAC-EdR_RCP_pt01a
- 97hrAC-EdR_RCP_pt01b
- 97hrAC-EdR_RCP_pt02

➤ Appointments ... Appt

➤

➤ Clearinghouse Rules ... CRule

➤

➤ Committee Hearings ... CH

➤

➤ Committee Reports ... CR

➤

➤ Executive Sessions ... ES

➤

➤ Hearing Records ... HR

➤

➤ Miscellaneous ... Misc

➤ 97hr_JC-Fi_Misc_pt01/DPR

➤ Record of Comm. Proceedings ... RCP

➤

Joint Finance
16.505/16.515
14 Day Passive
Reviews

6/24/96 to
9/23/96

7/15/96
DHSS/OCR

7

approved

STATE OF WISCONSIN

SENATE CHAIR
BRIAN BURKE

100 North Hamilton
P.O. Box 7882
Madison, WI 53707-7882
Phone: 266-8535



ASSEMBLY CHAIR
BEN BRANCEL

119 Martin Luther King Blvd.
P.O. Box 8952
Madison, WI 53708-8952
Phone: 266-7746

JOINT COMMITTEE ON FINANCE

July 17, 1996

Secretary James Klauser
Department of Administration
101 East Wilson, 10th Floor
Madison, WI 53707

Dear Secretary Klauser:

This is to inform you that the members of the Joint Committee on Finance have reviewed the June 25, 1996 request by the Department of Administration pursuant to s. 16.515/.505 (2) pertaining to the Department of Health and Social Services and the Office of Commissioner of Railroads.

No objections to these requests have been raised. Accordingly, these requests are approved.

Handwritten signature of Brian Burke in black ink.

BRIAN BURKE
Senate Chair

Handwritten signature of Ben Brancel in black ink.

BEN BRANCEL
Assembly Chair

cc: Members, Joint Committee on Finance
Linda Nelson, Department of Administration

BB:BB:al

STATE OF WISCONSIN

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JOINT COMMITTEE ON FINANCE

MEMORANDUM

TO: Members
Joint Committee on Finance

FROM: Representative Ben Brancel
Senator Brian Burke
Co-Chairs, Joint Committee on Finance

DATE: June 25, 1996

RE: 16.515/16.505 (2) Requests

Attached are copies of requests from the Department of Administration pursuant to s. 16.515/.505 (2) pertaining to requests from the Department of Health and Social Services and the Office of Commissioner of Railroads.

Please review the attached materials and notify **Representative Brancel's office or Senator Burke's office** no later than **Monday, July 15, 1996**, if you have any concerns about the requests or would like the Committee to meet formally to consider them.

Also, please contact us if you need further information.

BB:BB:al

CORRESPONDENCE\MEMORANDUM**STATE OF WISCONSIN**
Department of Administration**Date:** June 25, 1996**To:** The Honorable Brian Burke, Co-Chair
Joint Committee on FinanceThe Honorable Ben Brancel, Co-Chair
Joint Committee on Finance**From:** James R. Klauser, Secretary
Department of Administration**Subject:** S. 16.515/16.505(2) Requests

Enclosed are requests which have been approved by this department under the authority granted in s. 16.515 and s. 16.505(2). The explanation for each request is included in the attached materials. Listed below is a summary of each item:

<u>AGENCY</u>	<u>DESCRIPTION</u>	<u>1995-96</u> <u>AMOUNT</u>	<u>FTE</u>	<u>1996-97</u> <u>AMOUNT</u>	<u>FTE</u>
DHSS 20.435(6)(kx)	Inter and Intra-Agency Programs				18.40
OCR 20.155(2)(g)	Railroad Regulation and General Program Operations			\$15,400	0.25

As provided in s. 16.515, this request will be approved on July 17, 1996, unless we are notified prior to that time that the Joint Committee on Finance wishes to meet in formal session about this request.

Please contact Linda Nelson at 266-3330, or the analyst who reviewed the request in the Division of Executive Budget and Finance, if you have any additional questions.

Attachments

CORRESPONDENCE\MEMORANDUM**STATE OF WISCONSIN
Department of Administration**

Date: June 20, 1996

To: James R. Klauser, Secretary
Department of Administration

From: Gretchen A. Fossum, Budget Analyst *SAF*
Department of Administration

Subject: S. 16.505 Request by the Department of Health and Social Services

The Department of Health and Social Services (DHSS) requests an increase of 18.40 FTE PR in expenditure authority in s. 20.435(6)(kx), inter and intra-agency programs.

ANALYSIS

1995 Wisconsin Act 404 transferred the Office of Child Care from DHSS to the Department of Workforce Development (DWD), effective July 1, 1996. Excluded from the transfer was the responsibility for licensing child care facilities which remains at DHSS. Currently, 18.4 FTE licensing positions are funded with the federal Child Care Development Block Grant (CCDBG) which will be administered by DWD. Act 404 inadvertently failed to increase the position authority in s. 23.436(6)(kx) to account for DHSS receiving CCDBG funds from DWD for the licensing positions.

RECOMMENDATION

Approve the request.



State of Wisconsin
Department of Health and Social Services

Tommy G. Thompson, Governor
Joe Leeun, Secretary

CC TAB
GF

Date: June 12, 1996

To: Richard Chandler
State Budget Office

From: Richard Loring
Deputy Secretary

Subject: S. 16.505 Request for Child Care Licensing Positions

The Department requests authority for 18.4 PRS FTE to be funded from appropriation 20.435(6)(kx) in the Division of Children and Family Services

1995 Wisconsin Act 404 transfers child support and child care functions from this Department to the Department of Workforce Development, effective July 1, 1996. The Department prepared an amendment to the legislation, which was inadvertently not included in the bill, which transferred position authority for 18.4 positions from direct federal Child Care Development Block Grant (CCDBG) funding to funding under appropriation 20.435(6)(kx). These positions carry out licensing of day care centers. The positions will remain in DHFS and continue to carry out the same licensing responsibilities after July 1, 1996. The positions are currently funded by the CCDBG. Beginning July 1, 1996, DWD will receive the CCDBG funds from the federal government and provide a portion of this funding to DHFS to fund these positions. Since the funding for the positions will come from DWD, beginning July 1, 1996, the positions will no longer be directly federally funded but must be funded under the interagency appropriation under 20.435(6)(kx). As a result, 18.4 FED FTEs are deleted and 18.4 PRS FTEs must be created to continue this Department's licensing of day care centers.

The Department is not requesting increased PRS expenditure authority, or a reduction in PRF expenditure authority, because B-2 file maintenance has already been submitted to the State Budget Office for this purpose. Upon approval of the requested 18.4 PRS FTE, file maintenance will also be done to delete 18.4 PRF FTE.

CORRESPONDENCE MEMORANDUM

STATE OF WISCONSIN
Department of Administration

Date: June 10, 1996

To: James R. Klauser, Secretary
Department of Administration

From: Michelle New *mnew*
State Budget Office

Subject: Request under s. 16.505/16.515 from the Office of the Commissioner of Railroads for expenditure and position authority to retain personnel necessary for operation of the agency.

REQUEST:

The Office of the Commissioner of Railroads requests approval of an additional 0.25 PR Regulation Compliance Investigator 6 position, and supplemental expenditure authority of \$15,400 PR for FY 97 to restore a safety-related position lost in the last biennial budget.

REVENUE SOURCES FOR APPROPRIATION:

This request would be funded from s. 20.155 (2)(g), Railroad Regulation and General Program Operations, which is assessed under s. 184.10 (3), or s. 195.60. This appropriation is funded from direct and remainder assessments levied on all intrastate railroad routes run by railroad companies in Wisconsin.

BACKGROUND:

The primary responsibility of the Office of the Commissioner of Railroads (OCR) is the collection of assessments from railroad companies in the state of Wisconsin. Secondly, OCR examines various county and local crossings, and establishes safety recommendations based on their findings. Crossings in need of repairs are identified and placed on a waiting list for funding. Finally, OCR manages case resolution in contested cases. It is estimated that an independent hearing examiner rules on approximately 50 of these cases per year.

1995 Act 27 reduced OCR's staffing by 2.0 FTE PR positions. Positions which will lapse as of July 1, 1996 are; 1.0 Stenographic Reporter 2; and 1.0 Administrative Officer (AO) 1 position. This request would authorize creation of 0.25 PR Regulation Compliance Investigator (RCI) 6 position. Pending acceptance of this request, it is OCR's intent to convert a vacant 0.75 PR Regulation Compliance Investigator 5 position into a Regulation Compliance Investigator 6 position creating 1.0 PR RCI 6 position. Creation of this position would help to redistribute the administrative workload of the agency.

Once the AO 1 position lapses on July 1, 1996, OCR will not have a position to assume responsibility for daily administration of the agency. Under this request, the Commissioner of OCR has agreed to assume the in-house administration of the agency, while the newly created RCI 6 would coordinate administration of all regulatory compliance areas within the agency. Additionally, the RCI 6 position has been designed to spend considerable time out of the office, performing and supervising railroad crossing safety investigations throughout Wisconsin. As this

Tommy G. Thompson, Governor
June 10, 1996
Page 2

request addresses the immediate administrative and safety-related needs of OCR in FY 1997, its consideration can not be deferred to the next biennium.

ANALYSIS:

Authorization of the requested 0.25 PR position and associated funding will allow OCR to retain its current staffing level. The position in question is the only position OCR has which would oversee all investigators, coordinate safety investigations, and draft orders based on various investigations. As created, OCR's RCI 6 position will also serve as a liaison between OCR and the railroads, local municipal officials, and rail employee unions. The incumbent who will fill this position has over two decades of experience with Wisconsin railroad companies, and is an important historical source for the agency.

The Commission has indicated that they will face a serious staffing shortage once the 2.0 PR FTE positions lapse on July 1, 1996. OCR is currently carrying a Regulatory Compliance Officer vacancy (0.75 FTE) which has been vacant for over 25 months. It is likely that this position will remain vacant as the agency is unable to find a suitable investigator willing to work 0.75 FTE. Creation of this new position will simultaneously streamline the agency's administrative processes and allow for additional safety-investigator personnel within the agency.

RECOMMENDATION:

Approve the request.

Creation of an RCI 6 position will improve workload distribution within the agency, and will allow OCR to conduct more hands-on safety inspections of railroad crossings throughout Wisconsin. This position is necessary in the coordination, not only of safety related meetings and inspections, but also in the billing of assessments to railroad companies as required by the statutes.



Office of the Commissioner of Railroads

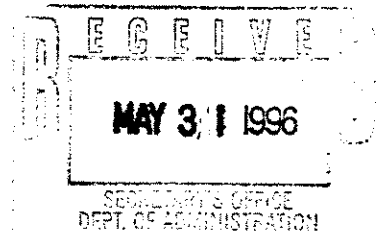
610 N. Whitney Way
P. O. Box 8968
Madison, WI 53708-8968

Rodney W. Kreunen, Commissioner

Tel: (608) 266-7607
Fax: (608) 261-8220
TTY: (608) 267-1479

May 30, 1996

James R. Klauser, Secretary
Department of Administration
101 East Wilson Street
Madison, Wisconsin 53703



Re: Requests under s. 16.505, Stats., to Authorize 0.25 FTE and s. 16.515, Stats., \$15,400 Expenditure Authority to Retain Personnel Necessary for Operation of Agency

Dear Secretary Klauser:

After my recent appointment to Commissioner of Railroads by Governor Thompson, I came with enthusiasm to my task to improve rail safety, especially at highway/rail crossings. I have found, however, that a shortfall in agency staffing presents a serious obstacle to making Wisconsin crossings safer for our citizens. In this letter, I request an increase of 0.25 FTE and authority to expend \$15,400 in increased salary and fringe benefits. I also intend to request an added 1.0 FTE safety inspector in the biennial budget.

During the last biennial budget, several staff reductions resulted in a drop from 8.0 FTEs to 5.25 FTEs, more than a 34% cut. I have attached a summary of these reductions as Attachment A. These cuts have left us with an insufficient capacity to conduct safety inspections. Specifically, unless this request is approved, I will have a senior investigator in an 0.75 FTE position, when I need a full-time investigator just to maintain the status quo.

Rail safety issues have been prominently displayed in the local and national media, from the Illinois school bus tragedy to the Weyauwega derailment. Not surprisingly, government agencies have been hit with criticism over these safety failures. The Legislative Audit Bureau (LAB) recently found that Wisconsin's accident and injury rates were higher than the national average and those of most neighboring states. The LAB also found that the economic costs and chances of serious injury or fatality are substantially higher in a train/vehicle accident than in other highway accidents. We estimate that Wisconsin train/vehicle accidents in 1994 caused comprehensive costs of over \$44 million. While we cannot eliminate accidents, we can certainly do more than we are. There are over 5,500 public highway/rail crossings in Wisconsin spread along 4,300 miles of track. We have one investigator on the road full-time to cover the entire state system. This level of staffing is clearly inadequate and must be rectified.

Rail operations in the state have increased dramatically over the past five years. In particular, the growth of the Wisconsin Central Ltd. (WCL) has been truly remarkable. Of course, growth in rail business means more trains running across public highways. Consequently, requests for OCR's services have increased at the same time as the staff reduction. The WCL commenced operations in October, 1987. I have attached a list of representative examples which demonstrate the WCL's increased rail operations (See Attachment B). The growth is not limited to one part of the state. The WCL has upgraded its tracks and increased operations from the Illinois border in Kenosha County, through the Fox Valley, across the heart of the state, and all the way to Superior.

Trends in railroad train-miles, freight ton-miles, and revenues earned in Wisconsin further demonstrate the growth of rail activity. Between 1991 and 1994, the four major railroads increased train-miles by 17.3%, ton-miles by 26.3% and revenues by 26.4% (the four major railroads are the Burlington Northern, the Soo Line, the Union Pacific, and the WCL). (See Attachments C-E). In Translinks 21, DOT projects that rail freight tonnage will increase by 73% between 1992 and 2020.

These increased operations have been reflected in a significantly increased OCR workload. The increased use of a corridor approach to crossing safety has also added to the OCR's work. The total number of filings in all areas increased by 68% between 1985 and 1995. The number of filings concerning safety at highway/rail crossings increased 66% in the same period. (See Attachment F for details.)

We have more and more municipalities, railroads, and ordinary people asking us to check the safety of their crossings. I have found that we do not have enough staff to meet their requests in a timely manner. This modest request begins to address our need for more timely and comprehensive safety investigations.

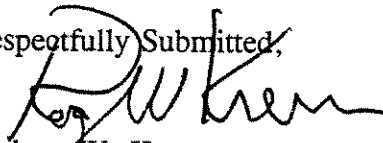
Authorizing the requested 0.25 position will allow the OCR to retain our current actual staffing level. The person in this position currently oversees other investigators, coordinates safety investigations, schedules and conducts investigations and meetings, troubleshoots on a daily basis, drafts orders based on his investigations, and oversees assessment of costs to the railroads. This person also handles most contacts with local municipal officials, citizens, railroad companies, and rail employee unions, and acts as liaison with the elected local, state, and federal representatives. The incumbent interacts with key employees at other rail-interested state and federal agencies and acts as the agency's day-to-day administrator. He also coordinates hearing schedules and associated investigations with the hearing examiner. Finding someone to do all these things in an 0.75 FTE position will be nearly impossible.

The incumbent has over 25 years experience in rails, both as a railroad employee and in state government. The incumbent is knowledgeable, not only about railroads, but also about state and federal government in relation to railroad matters. He knows the safety funding sources and the players at highway agencies and railroads. He also monitors the expenditure

of OCR's signal money. Frankly, I need an experienced hand on my staff to help steady the course. This request accomplishes that.

Thank you for your consideration of this request, which is vital to the day-to-day functioning of the OCR. Please contact me or my staff with any questions at 266-7607.

Respectfully Submitted,



Rodney W. Kreunen
Commissioner of Railroads

RWK:DW:pt:a:\budget.rev

Attachments

cc: Michelle New, Budget Analyst, DOA
Robert Lang, Legislative Fiscal Bureau
Tony Mason, Legislative Fiscal Bureau

Attachment A

Summary of OCR Staffing Reductions

A review of the recent history of OCR's staff reductions follows:

- January 1, 1994. At its creation, the OCR had 8.0 FTEs (authorized). Seven of the eight positions were occupied, with only the Commissioner's position vacant. The budget which created the OCR did not provide sufficient revenue for all eight positions. The OCR FY 95 budget was \$435,000, but the only revenue source, assessments on railroads for OCR's work, was capped at 1.0% of railroads' intrastate revenues or about \$260,000.

- January 1, 1994 to present. The OCR has instituted new technologies, policies, and procedures. Through increased use of personal computers, the staff increased productivity and efficiency. Cumbersome, redundant, and outdated procedures were modified or dropped. Consequently, the OCR has reduced down to the core business of the agency.

- June 30, 1995. The biennial budget, as adopted, eliminated one-half of all state positions vacant longer than one year. As a result, the OCR lost 0.75 FTE positions, effective July 1, 1996. The OCR left the positions vacant only because the revenue then available was inadequate to fill the positions, not because they were not needed.

- June 30, 1995. The biennial budget, as adopted, raises the assessment cap from 1.0% to 1.75% of railroads' intrastate revenues or about \$500,000. The OCR now has an adequate revenue source for its staff requirements. None of the OCR budget comes from general funds.

- July 1, 1996. The biennial budget, as adopted, eliminates 2.0 FTE positions (stenographer and administrative officer) from the OCR, effective July 1, 1996.

Attachment B

Trend of Increasing Rail Operations

Year	# of Trains/day	Year	# of Trains/day
<u>Town of Salem, Kenosha County</u>		<u>Fond du Lac, Fond du Lac County</u>	
1986	2/day (Soo Line)	1989	8/day
1990	8/day (WCL)	1995	24-30/day
1991	14/day	<u>Menasha, Winnebago County</u>	
1994	22/day	1989	8/day
1995	26/day	1995	18-20/day
<u>Mukwonago, Waukesha County</u>		<u>Solon Springs, Douglas County</u>	
1991	8-10/day	1992	4-6/day
1994	16-18/day	1995	15/day
<u>Waukesha, Waukesha County</u>			
1985	8/day (Soo)		
1992	12/day		
1993	16/day		
1995	21/day		

The Wisconsin Department of Transportation reports that the WCL now operates 29 trains/day between Duplainville (north of Waukesha) and Fond du Lac. Using new rail traffic forecasting methods, DOT projects 51 trains per day on this line in 2016.

Attachment C

Trends in Railroad Business, 1991 - 1995

A comparison of the four largest railroads in Wisconsin; the Union Pacific/Chicago and North Western, the Burlington Northern, CP Rail/Soo Line, and Wisconsin Central Ltd. Compared by train-miles of revenue freight, and ton-miles of revenue freight, and by revenue earned within the state.

	Train-Miles				
	In Thousands of Miles				
	1991	1992	1993	1994	1995
UP/CNW	1,227	1,266	1,222	1,246	N/A
BN	2,486	2,694	2,621	2,757	2,677
SOO	1,548	1,663	1,726	1,411	N/A
WCL	1,575	1,746	1,965	2,609	3,126
TOTAL	<u>6,836</u>	<u>7,369</u>	<u>7,534</u>	<u>8,023</u>	<u> </u>

Attachment D

Ton-Miles					
In Millions of Tons					
	1991	1992	1993	1994	1995
UP/CNW	3,583	3,728	3,721	3,861	N/A
BN	4,501	4,848	5,466	6,042	5,853
SOO	4,247	4,256	4,208	3,461	N/A
WCL	2,631	3,099	4,004	5,543	7,190
TOTAL	<u>14,962</u>	<u>15,931</u>	<u>17,399</u>	<u>18,907</u>	<u> </u>

Attachment E

Revenue Earned in Wisconsin

In Millions of Dollars

	1991	1992	1993	1994	1995
UP/CNW	98	97	101	106	N/A
BN	128	138	156	167	169
SOO	95	98	107	93	N/A
WCL	88	92	104	151	176
TOTAL	<u>409</u>	<u>425</u>	<u>468</u>	<u>517</u>	<u> </u>

Office of the Commissioner of Railroads Caseload

This chart illustrates an increasing workload since the mid-1980's. The chart shows the total number of crossings included in formal cases, the total number of informal cases, and the total number of matters not related to crossings (e.g., drainage, fencing). The increased use of a corridor approach to crossing safety, where one case includes multiple crossings located on one line of track, has contributed to the increased demand, as have increased rail operations (especially by the Wisconsin Central Ltd.) and increased highway traffic.

The total number of separate matters presented to the OCR increased by 68% between 1985 and 1995. From 1985-1989, the OCR received petitions concerning an average of 179 separate matters per year. From 1990-1995, the OCR received petitions concerning an average of 270 separate matters per year, a 51% increase. From 1985-1989, the OCR received petitions concerning an average of 126 crossings per year. From 1990-1995, the OCR received petitions concerning an average of 181 crossings per year, an increase of 43%.

Year	Total Crossings Formal Dockets	Informal Dockets	Non-crossing Dockets	Total
1985	122	23	18	163
1986	154	24	17	195
1987	90	41	8	139
1988	157	52	9	218
1989	109	61	8	178
1990	163	72	9	244
1991	136	89	8	233
1992	209	83	10	302
1993	221	65	10	296
1994	158	96	16	270
1995	203	58	13	274